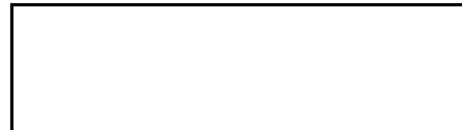


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IAC-D-103/5
18 July 1957

MEMORANDUM FOR: Secretary, Intelligence Advisory Committee
SUBJECT : Second Semi-Annual Report of IAC Ad Hoc
Committee on Exchanges

Attached is the Second Semi-Annual Report of the IAC Ad Hoc
Committee on Exchanges. For the reasons stated in Section III of
the report, the period covered is eight months rather than the six
last directed by the IAC.



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WILLIAM P. BUNDY
Chairman
IAC Ad Hoc Committee on Exchanges

Attachment

17 July 1957

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IAC-D-103/5
18 July 1957

Second Semi-Annual Report of
IAC Ad Hoc Committee on Exchanges

I. Authorization

The IAC Ad Hoc Committee on Exchanges was established pursuant to IAC action of 28 February 1956, for the purpose of maximizing the intelligence yield from East-West delegation exchanges. IAC-D-103 has served as a guide and general terms of reference.

II. Organization

The Committee consists of representatives from the Departments of State, Army, Navy, Air Force, the Joint Staff, CIA, and AEC. USIA also attends on a regular basis. CIA provides the Chairman and the Secretariat. The Committee does not have a subcommittee structure but seeks the advice of existing substantive committees or subcommittees of IAC or appoints ad hoc groups for cases in which no extant group is competent.

III. Aims and Activities

This report covers the activities of the Committee during the period 1 October 1956 to 31 May 1957. All activity in the exchange field came to a standstill in late October 1956 as a result of the Hungarian revolt and Soviet intervention, and the Committee was relatively inactive until early in the spring of 1957. On 2 April 1957, the President gave approval for reviving the exchange program on a limited basis, and since that time the Committee has been operating on the same general basis as prior to the standstill period. Its principal activities have been:

a. Advising the Department of State on the intelligence aspects of exchanges and exchange proposals. The East-West contacts Staff (P/EWC), the unit in the Department of State which implements US policy on exchange visits with the Soviet Bloc, requests the advice of the Committee on the intelligence aspects of exchange proposals emanating from US

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private and governmental groups and from the Soviet Bloc. Opinions on thirteen proposals were forwarded during the report period.

b. Suggesting exchange proposals for US initiative. The Committee continued to provide guidance to the Department of State on proposals for US initiative. This was done in two ways:

(1) A group of seven fields were selected and submitted to substantive subcommittees for preparation as proposals to be submitted to the Department of State.

(2) A continuing liaison was maintained for providing intelligence guidance to EWC on the relative priority of exchanges in various fields.

Because the six month embargo on exchanges came at a time when the Committee had a program of providing proposals for US initiative in full swing, there is a substantial backlog of worthwhile proposals in the hands of the Department of State which need only be updated when the opportunity arises to use them. For this reason the Committee activity in this field consists primarily of providing support and suggestions to the Department of State when the opportunity arises to implement one of the prepared proposals.

c. Assisting in the carrying out of exchanges. Once an exchange proposal is approved in principle and enters the negotiating stage, the Committee is represented by a technical consultant who stays in close touch with the responsible officers of the Department of State. This is an essential part of the cooperation because the negotiations may produce changes in the proposal altering the itinerary or other aspects, and conceivably affecting the original judgment of intelligence advantage. The technical consultants are given some leeway in agreeing to necessary adjustments, but are instructed to inform the Committee if there are critical changes in the proposal. Through the technical consultant, continuing

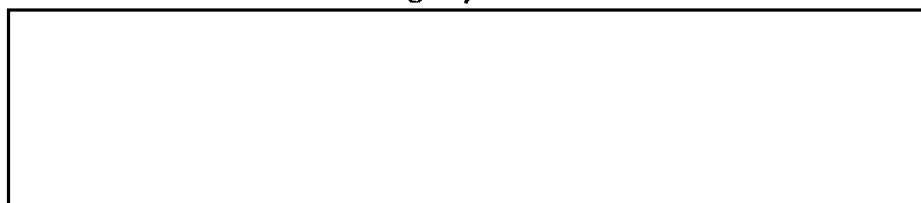
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advice is rendered on itinerary, sponsors, delegation members, and briefing material. Technical consultants have provided valuable support for the Polish Coal Exchange, the Irrigation and Drainage Congress, the Public Health Exchange, the Mass Feeding Exchange, the International Electrotechnical Commission meeting, and the prospective Steel Exchange, during the reporting period.

d. Coordinating intelligence interest and activities. Exchange activity was light during most of the period covered by the report so the Committee concentrated on preparing for the resurgence. In this category:



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(2) Standing Operating Procedures on Briefing and Debriefing (IAC-D-103/4) were prepared as promised in the First Semi-Annual Report. The object of this endeavor was to formulate general procedures enabling the intelligence community to support fully the US policy on East-West Exchanges and to maximize intelligence yield to all components in the process. There has been no opportunity to determine the effectiveness of the procedures.



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(4) The Committee Status Report has been expanded in order to keep the members, and through them their sponsoring agencies, informed of exchange developments between issues of the EWC Status Reports.

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IV. Prospects and Emerging Problems

Since the President's action of 2 April, the US program has aimed at a gradual and selective revival of formal exchanges. However, the Soviets laid heavy stress during the reporting period on Soviet attendance at conferences.* Since this would have produced a one-sided advantage to the USSR, the Department of State insisted that conference attendance be, in nearly all cases, on a reciprocal basis, thus assuring that the program does not result in a net disadvantage to the US. As in the formal exchanges, the Department of State has turned to the Committee for assistance in assessing the situation with respect to reciprocal attendance at conferences with accompanying tours. Since conferences, when treated in this manner, are in effect reciprocal exchanges, the Committee has provided support in one case and will do so in the future.

A major problem seems to be that of determining Soviet intentions and methods and arriving at the best way of dealing with the various Soviet approaches in order to derive the maximum benefit for the intelligence community. This problem will receive more Committee attention in the future since an active exchange program seems to be a safe forecast.

In implementing the plans and proposals, the funding problem is still unsolved. EWC has made considerable headway in securing the support of private organizations but has been forced to turn down some Soviet requests because funds for paying the sponsor, tour guide or interpreter required by ICIS were not available. This may discard assets which could be used in securing desirable US tours. The problem of demanding reciprocity when it may be impossible to find a US delegation to take the Soviet tour is more acute because the cost and embarrassment are greater. The assurance of government funds, where necessary, would make a more aggressive and effective approach possible. This would also provide an opportunity for more logical intelligence collection planning.

*Subsequent to the reporting period, the Soviets have renewed their emphasis on formal exchanges, and have been pressing State for action on the Soviet list of six fields presented in mid-1956.

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The Soviet insistence that they will not allow subjects to be finger-printed in compliance with US immigration laws has been an obstacle to many exchanges including students and long-term visits. It seems that since a change in the US law is necessary to permit admission of non-officials without fingerprinting prospects are slight for this type of exchange.

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